



**Testimony to the United States Senate
Senate Subcommittee on Communications, Technology and the Internet
“Broadband Adoption: The Next Mile”
Tuesday, October 29, 2013
Sunne Wright McPeak
President and CEO
California Emerging Technology Fund**

Closing the Digital Divide is an Imperative

Imagine if you were not able to communicate instantaneously with others using your smart phone, digital tablet, or computer. That is the reality for more than 9 million Californians who live in remote rural communities, on tribal lands, in low-income neighborhoods, or who have a disability. Those of us who have the benefit of a personal computing device coupled with high-speed connections to the Internet—referred to generically as “broadband” that includes both wireline and wireless technologies—have come to depend on this connectivity for our work, staying in touch with family and friends, and making our daily lives easier.

Broadband is essential 21st Century infrastructure for global competitiveness. It is a key factor in attracting capital investment to generate jobs. Communities without broadband are being left behind in the Digital Age—remote rural areas, poor urban neighborhoods, and people with disabilities are even more disadvantaged without broadband availability and computing devices to access the Internet. Closing the Digital Divide with public policies and strategies to achieve ubiquitous broadband deployment and to accelerate broadband adoption is an imperative for economic prosperity, quality of life, and family self-sufficiency. Fortunately, it is a goal that can be achieved with inspired vision, focused leadership, alignment of existing resources, and enlightened investment of a modest amount of additional public funding to encourage partnerships—federal-state, public-private, and provider-community. There is ample research and empirical evidence about what it takes to get the job done.

The California Experience and Progress in Closing the Digital Divide

California has some of the most challenging terrain in the nation for broadband deployment and the largest populations of disadvantaged residents as priority communities for broadband adoption. When California began to focus on closing the Digital Divide, the number of “unconnected” residents was the equivalent of having 5 other states within our boundaries. Approximately 94% of all residents had broadband access—however the 6% of residents totally unserved represented 768,000 households (about 2 million residents), more than the population of the State of Nebraska spread out over more than 44,000 square miles of inhabited area, the size of the State of Kentucky. Almost 13 million residents (largely urban poor) were not connected, more population than the State of Illinois.

In addition, 1.9 million people with disabilities were off-line, the population of the State of New Mexico. And, 680,000 Native Americans were not connected, larger than the population of the State of Alaska. It should be noted that California has the largest population of Native Americans than any other state with 111 federally-recognized tribes. Most of the tribal lands lack broadband connectivity and want broadband access according to recent consultations of Tribal Leaders being convened by Judge Cynthia Gomez, the Governor's Liaison to Tribal Governments and the Executive Secretary of the California Native American Heritage Commission in collaboration with the California Emerging Technology Fund and the Corporation for Education Network Initiatives in California (CENIC).

The California Emerging Technology Fund (CETF) was established at the direction of the California Public Utilities Commission (CPUC) in the orders approving the 2005 mergers of SBC-AT&T and Verizon-MCI. The successor companies agreed to provide a public benefit by contributing a total of \$60 million into this new non-profit with the mission to close the Digital Divide in California. CETF became operational in 2007, working in partnership with the Governor and State Administration, Legislature, CPUC, local governments, and a network of more than 80 community-based organizations (CBOs) to systematically implement a Strategic Action Plan to close the Digital Divide in California, tackling both broadband deployment and adoption challenges. CETF reports to the Legislature through the CPUC.

In addition to establishing CETF, California policymakers have taken other key steps to close the Digital Divide, including:

- In 2007 the Governor with the support of the Legislature convened the California Broadband Task Force which produced the base report to focus attention on the issues.
- In 2008 the CPUC and the Legislature established the California Advanced Services Fund (CSAF) to subsidize broadband deployment to unserved and underserved areas by converting a high-cost fund for telephone service to support broadband infrastructure while also significantly reducing the annual amount collected from consumers. Through subsequent legislation the total amount authorized to be collected for CASF has been increased to \$315 million.
- In 2009 the Governor issued an Executive Order to advance digital literacy that sets forth official State policy and requires agencies to develop and implement an action plan.
- In 2010 the Legislature and Governor established the California Broadband Council in statute to sustain State attention and leadership to close the Digital Divide.
- In 2013 the Legislature and Governor authorized CASF funds to be used for broadband connectivity in publicly-subsidized multi-unit affordable housing.

The sum total of this collective effort is significant progress in the last 6 years. In 2008, California's statewide adoption rate for Internet use was 70% with 55% having broadband use at home—the same as the national average. Today, 86% of Californians use the Internet and 75% access the Internet at home with a high speed connection (including 6% that access the Internet only by a mobile "smart phone"). Also, there have been significant increases in broadband adoption by priority consumer populations:

- Low-income households up 20 percentage points (from 33% in 2008 to 53% in 2013).
- Latino households up 18 percentage points (from 34% in 2008 to 52% in 2013).
- People with disabilities up 20 percentage points (from 36% in 2008 to 56% in 2013).

The Role of the California Emerging Technology Fund

The California Emerging Technology Fund (CETF) has been a pivotal partner in driving this progress on closing the Digital Divide, serving as a catalyst for focus, action and results by: (a) setting the goals for broadband deployment and adoption; (b) delineating the strategic framework to achieve the goals with regular reports on progress to foster accountability; and (c) making targeted and leveraged investments in public policy initiatives and grants to CBOs. CETF is performance-driven and outcomes-focused. The CETF Strategic Action Plan is based on research and fact finding about “what works” and sets forth the overall approach and strategies to close the Digital Divide, including the metrics for accountability that provide the disciplined focus on results. CETF set the following goals for achieving success by 2017—10 years after CETF began operations—which have been embraced widely by policymakers and stakeholders.

Broadband Supply – 98% Deployment

- Access for At Least 98% of All Households
- Robust Rural-Urban California Telehealth Network (CTN)
- All Tribal Lands Connected and Part of CTN

Broadband Demand – 80% Adoption

- Overall Statewide Adoption At Least 80% by 2015 and 90% by 2020
- All Regions and Socioeconomic Groups within 10 Percentage Points of Overall Adoption (At Least 70%)
- Increased Overall Accessibility and Universal Design

Broadband Global Leadership – Within Top 3 Rankings

- Appropriate and Sufficient Speeds for Consumer Applications that Drive Adoption
- Increased Economic Productivity
- Reduced Environmental Impacts

There is not a “silver bullet” to closing the Digital Divide—no one strategy or action will get the job done. However, there is “silver buckshot”—a “critical mass” of inter-related and mutually-reinforcing strategies and actions that do succeed. To achieve the optimal impact and a higher return on investment of the original seed capital, CETF employs 5 overarching strategies to drive progress on the broadband deployment and adoption goals:

1. Civic Leader Engagement
2. Venture Philanthropy Grantmaking
3. Public Policy Initiatives
4. Public Awareness and Education
5. Strategic Partnerships

Successful implementation of these strategies requires engaging and partnering with “trusted messengers” and “honest brokers” who know their local communities and target neighborhoods, including local government officials, regional civic organizations, and successful CBOs. CETF has focused on 3 priorities for grantmaking: rural and remote areas; urban disadvantaged neighborhoods; and people with disabilities. CETF has awarded more than \$31 million in grants to community-based organizations (CBOs) and public agencies as “partners” in achieving the broadband deployment and adoption goals.

Leadership and Strategic Investments by the Federal Government

California's progress in closing the Digital Divide has been significantly advanced by the leadership of the California Congressional Delegation and strategic investments by the federal government. The Federal Communications Commission (FCC) awarded \$22.1 million from the Rural Health Care Pilot Program (matched by \$3.6 million from CETF) to connect a network of more than 800 facilities in rural and urban medically-underserved communities that comprise the California Telehealth Network (CTN). Telehealth is a major public policy initiative in California to drive both broadband deployment and adoption. Thus, the FCC Healthcare Connect Fund is a vital resource for the future, although the program needs some refinement. In addition, California has benefited greatly from partnerships with the U.S. Department of Commerce National Telecommunications and Information Agency (NTIA) under the American Recovery and Reinvestment Act (ARRA) Broadband Technology Opportunities Program (BTOP).

NTIA awarded 13 ARRA BTOP grants for broadband infrastructure deployment exceeding \$428 million and 17 grants for broadband adoption totaling almost \$122 million, including support for CTN operations and development of services. NTIA provided 2 grants to CETF for a total of \$14,359,476 (matched by CETF \$2,551,796) to support 19 CBOs (sub-awardees) resulting in more than 200,000 broadband adoptions and more than 2,700 jobs, which met and exceeded the contractual performance objectives. These grants were concluded as of June 2013 and are summarized below.

Broadband Awareness and Adoption

The Broadband Awareness and Adoption (BAA) project mobilized the expertise and resources of 8 partners (sub-awardees) to reach communities most impacted by the Digital Divide: low-income families, limited English-speaking Latinos, rural residents and people with disabilities. BAA partners worked with schools, churches, health clinics, job training programs, and social service providers to develop model "service ecosystems" which included technical support, low-price computers, and affordable broadband connections. Key accomplishments include:

- Increased awareness about the benefits of broadband among 13,296,068 low-income residents (266%).
- Provided 719,255 low-income individuals with basic Digital Literacy skills to use broadband technology (106% goal).
- Achieved 198,714 new broadband subscriptions by low-income households (149% goal) and distributed 6,866 computers to low-income households (172% goal).

Total BAA Budget	\$9,360,672
NTIA Grant	\$7,251,295
CETF Match Funds	\$ 979,476
Partner Cash Match	\$ 882,667
Partner In-Kind Match	\$ 247,234

Access to Careers in Technology

The Access to Careers in Technology (ACT) project engaged 11 partners (sub-awardees) to establish scalable workforce development programs while expanding access to broadband and 21st Century jobs in low-income communities throughout the state. Individuals with multiple barriers to employment--ranging from the homeless to former drug addicts--completed Information and Communications Technology (ICT) training to obtain jobs in a spectrum of major industries from engineering to entertainment with pathways to living-wage careers in high demand. Key accomplishments include:

- Trained 24,675 low-income youth and adults and 12,044 small business owners and employees with Digital Literacy skills (101% goal).
- Secured 2,745 ICT career-path jobs for low-income residents (107% goal).
- Achieved 9,331 new broadband subscriptions by low-income households and distributed 5,547 computers to low-income households (101% goal).

Total ACT Budget	\$11,081,130
NTIA Grant	\$ 7,108,181
CETF Match Funds	\$ 1,572,320
Partner Cash Match	\$ 2,379,839
Partner In-Kind Match	\$ 20,790

Lessons Learned

The successful implementation of the NTIA grants by CETF and our 19 partners was led by Senior Vice President Susan Walters, who prepared a report *Lessons Learned from the Field* which has been submitted as part of this testimony for the Congressional record.

CETF Lessons Learned from ARRA NTIA BTOP Grants

- Grantee executive leadership and staff management capacity are essential.
- Coaching and the “learning community” were key to reaching goals.
- Thoughtful work plans in advance led to faster recognition of problems.
- Anchor institutions and community organizations need to work to ensure that clients actually obtain broadband (information and encouragement alone are not sufficient).
- Integrating digital literacy training and broadband adoption into existing programs is the best way to ensure sustainability and continually narrow the Digital Divide.

The experience of all NTIA grantees has been incorporated into the NTIA Took Kit which is a very useful compilation of data and recommendations for accelerating broadband adoption. NTIA Administrator Larry Strickling and his team (Laura Breeden and colleagues) have a wealth of knowledge about “what works” and established working relationships with state agencies and non-profit organizations throughout the nation that are valuable assets that should be supported and leveraged for sustained progress in closing the Digital Divide.

Broadband Empowers People and Transforms Lives

The California Emerging Technology Fund (CETF) has ample evidence about the ways in which broadband access and information technology empowers people and transforms lives. This is particularly effective when broadband is integrated into services and programs that have relevance to everyday living, such as in school, job training, housing, and healthcare.

For example:

- CETF has developed School2Home to turn around low-performing middle schools through the integration of broadband and computing technology into the teaching and learning processes with significant parent engagement. Not only is School2Home improving academic performance above district and statewide gains, but also driving broadband adoption: Spanish-speaking parents increased broadband adoption at home from 48% to 76% (a 58% increase) and English-speaking parents increased from 84% to 94% (a 12% increase).
- CETF partner The Stride Center has a significant track record in training and securing employment for individuals with multiple barriers to employment, demonstrating that ICT workforce preparation can result in 90% of the clients obtaining jobs with a median wage double the overall regional labor market average.

The power of the statistics on closing the Digital Divide and performance data on the grants comes to life with the stories of the people who are becoming self-sufficient and productive taxpayers because of these public and private investments. Consider the experience of these real people who have benefited from broadband access and information technology:

- Daniel made the honor roll once he had broadband at home and was able to keep up with his homework assignments and navigate the Internet to gather information.
- Yanira was as a grocery delivery driver when she injured her back and couldn't work in that job any longer. With an online course she learned how to write a resume and cover letter, search for job listings, and email applications to companies—when she began she didn't even know how to send e-mails. After just a month, she started a new job in the delivery business making nearly \$3 more per hour.
- Henri recently landed his first job as a digital animator after receiving job training and now is on a career pathway with living wages.
- Rosa is getting her high school equivalency diploma after completing two computer skills certification classes to earn a free refurbished computer and signing up for broadband at home.
- Alicia used to struggle to find work, but now works fulltime after learning how to use electronic job boards in a digital literacy class.
- Deborah was able to keep up with her high school homework with the benefit of broadband access and graduated with a 4.0 GPA. She searched the Internet for the right college and was able to apply online for admission and a full scholarship.
- Maria's flower shop has blossomed since attending a computer training class and learning how to manage and market her business.
- Sheryl turned her life around from drug abuse and losing her children after learning computer skills at a non-profit that received ARRA funds from NTIA BTOP. Today she has a full-time job, which allowed her to regain custody of her children.

Conclusions for Closing the Digital Divide and Accelerating Broadband Adoption

Although there has been a steady rise in the number of people adopting and using broadband at home, it is becoming increasingly harder to reach those who remain off-line because they are remote rural residents without access and urban poor residents without digital literacy skills nor the means to afford market prices. However, all the data and experience indicates that the vast majority of people who do not have or use broadband at home want to adopt the technology when they understand the value proposition and have access. Thus, it is very important to understand what actually works to reach these consumers who should be regarded as “prospective customers in emerging markets.”

Dr. John Horrigan (who helped develop the National Broadband Plan and has worked for the Pew Charitable Trusts and Joint Center for Political and Economic Studies) concludes that the cost of digital exclusion is real and rising and that the broadband adoption challenge has three primary dimensions: cost, relevance, and digital literacy. He further finds increasing broadband adoption requires sustaining capacity and scale of strategic initiatives with states and local communities involved in the “ground game” to focus on “digital readiness” in unserved and disadvantaged communities. He provides valuable insights to guide the work in accelerating broadband adoption.

The following are the major conclusions from the experience of the California Emerging Technology Fund and our community-based partners who have been on the ground in unserved rural communities and disadvantaged urban neighborhoods.

- It is essential to set goals with quantified metrics and accountability for performance in order to drive broadband deployment and adoption to close the Digital Divide and to regularly report to the public and stakeholders to ensure continued focus on the goals.
- Optimizing impact of any investment requires engaging public officials at all levels of government and civic leaders in regional consortia and local communities. There is no substitute for leadership, but leaders need to be involved in developing the strategies and supported in systematically implementing a coherent, integrated plan.
- Broadband adoption will succeed by working in partnership with community-based organizations that are the “trusted messengers” and “honest brokers” for the unserved and disadvantaged populations.
- Affordable broadband offers are required to increase adoption among low-income households. This is likely to require an Affordable Broadband Lifeline Rate Program given that voluntary efforts to date have had modest market penetration for a variety of reasons, with the most extensive program reaching less than 10% of eligible participants.
- Sustainable broadband adoption requires a comprehensive approach that targets and aligns resources in low-income communities with an integrated, comprehensive “neighborhood transformation” strategy that incorporates broadband adoption into other services, such as education, workforce preparation, and healthcare.

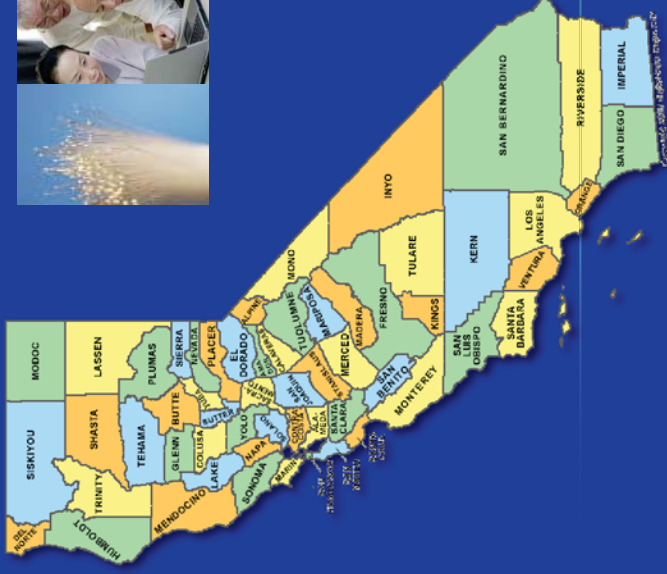
Recommendations for Continued Federal Government Leadership in Broadband Adoption

There is a foundation of leadership and expertise in the federal government on which to launch the next generation of work to accelerate broadband adoption to close the Digital Divide in America. In particular, the powers and resources of the FCC coupled with the experience and relationships of NTIA in collaboration with the other federal departments is a solid platform for action. Congress can greatly augment this foundation by the following actions:

- Set national goals and performance metrics for broadband deployment and adoption along with a timetable and assigned responsibilities for achieving them to encourage implementation of the National Broadband Plan and utilization of the NTIA Took Kit. Institute regular Congressional oversight proceedings to ensure performance and accountability.
- Integrate broadband and information technologies into all federal policies and programs through funding incentives to align efforts across departments. There is a need to “connect the dots” with a set of coherent strategies that transcend “bureaucratic silos” to optimize access to and use of the Internet with high-speed connections. For example:
 - U.S. Department of Health and Human Services (HHS) should build upon the ARRA Health Information Technology for Economic and Clinical Health Act (HITECH) framework to encourage stronger linkages and purposeful collaboration of health exchanges and “meaningful use” to the telehealth networks funded by the FCC Rural Health Care Pilots and/or the new Healthcare Connect Fund. HHS and the FCC should make a concerted joint effort to connect all state and local government public health services, federally-qualified health centers (FQHCs), critical care hospitals, tribal healthcare facilities (if desired by Tribal Leaders) to these telehealth-telemedicine networks. This kind of an effort will need to be coordinated with other departments and programs, such as the U.S. Department of Agriculture’s Distance Learning, Telemedicine and Broadband Program to ensure rural communities are connected.
 - U.S. Department of Education should aggressively encourage the integration of broadband and computing technologies into the teaching and learning processes in all federal grants to improve education, particularly to turn around low-performing schools because of the ability of the technology to engage and involve low-income parents with an approach similar to School2Home. Implementation nationwide of Common Core Standards will require a major effort on a scale not yet contemplated by educators and policymakers. Promise Neighborhoods grantees should be encouraged to promote “smart communities” by incorporating broadband adoption strategies into their programs.
 - U.S. Department of Labor should encourage integration of digital literacy and ICT skills training into all existing workforce preparation programs through Workforce Investment Act allocations to states and all other grants.
 - U.S. Department of Housing and Urban Development should promote “smart housing” in all publicly-subsidized multi-unit complexes by allowing the installation of an advanced communications system with broadband connectivity in each residence to be included in construction costs and the maintenance of such a system to be included in operating budgets. Choice Neighborhoods grantees should be encouraged to incorporate broadband adoption strategies into their programs.

- U.S. Department of Agriculture (Rural Utility Service and all other rural economic development programs) should encourage larger-scale integrated proposals for existing grant funds that combine broadband deployment and adoption. There should be consideration of easements for broadband deployment in National Forests to support public safety, emergency response, and homeland security.
 - U.S. Department of Interior should identify all resources to assist Tribal Leaders (who request such assistance) in providing broadband service to Tribal Lands. There should be consideration of easements for broadband deployment in National Parks to support public safety, emergency response, and homeland security.
 - U.S. Department of Homeland Security should become a proactive partner in FirstNet to accelerate broadband deployment and adoption to support public safety, emergency response, and homeland security.
- Request and support the FCC to accelerate reform the Universal Services Fund (USF) and to incorporate best practices for sustainable broadband adoption. With limited resources, priority consideration for funding and/or subsidies to broadband providers should be given to companies that: (a) have a coherent, explicit program with quantified goals and metrics to increase broadband adoption; (b) partner with CBOs that have a proven track record as the “trusted messenger and honest broker” in broadband adoption; and (c) target low-income communities in collaboration with other stakeholders pursuing “digital inclusion” and “neighborhood transformation” strategies (such as digital literacy in schools, workforce training, or publicly-subsidized housing).
- An Affordable Broadband Lifeline Rate Program should be established within the next year and made available to residents in low-income census tracts in which there is a coherent “digital inclusion” component of a “neighborhood transformation” initiative with responsible local governments, key stakeholders, and respected CBOs.
 - Renewal and reform of eRate should prioritize low-performing schools and libraries in low-income neighborhoods that have established a coherent program with quantified goals and accountability to increase broadband adoption, especially as part of an overall “neighborhood transformation” initiative.
 - Connect America Fund and other programs to subsidize broadband infrastructure should give priority funding to deployment projects with plans and partners to promote broadband adoption.
- Provide additional funding to NTIA as a prudent investment in global competitiveness to establish the “next generation” broadband adoption program that builds upon the ARRA BTOP experience, aligns with other existing efforts, and leverages federal resources through partnerships to achieve explicit adoption goals and outcomes by 2020.
- Encourage states to adopt broadband adoption strategies and plans by giving priority consideration for funding to projects that align with and complement state programs that have explicit adoption goals with accountability for performance.
 - Facilitate collaboration among successful BTOP grantees to join forces with state governments to develop broadband adoption strategies and plans.
 - Request assistance from the National Association of Regulatory Utility Commissioners (NARUC) to engage states and convene information forums on development of broadband adoption strategies and plans.

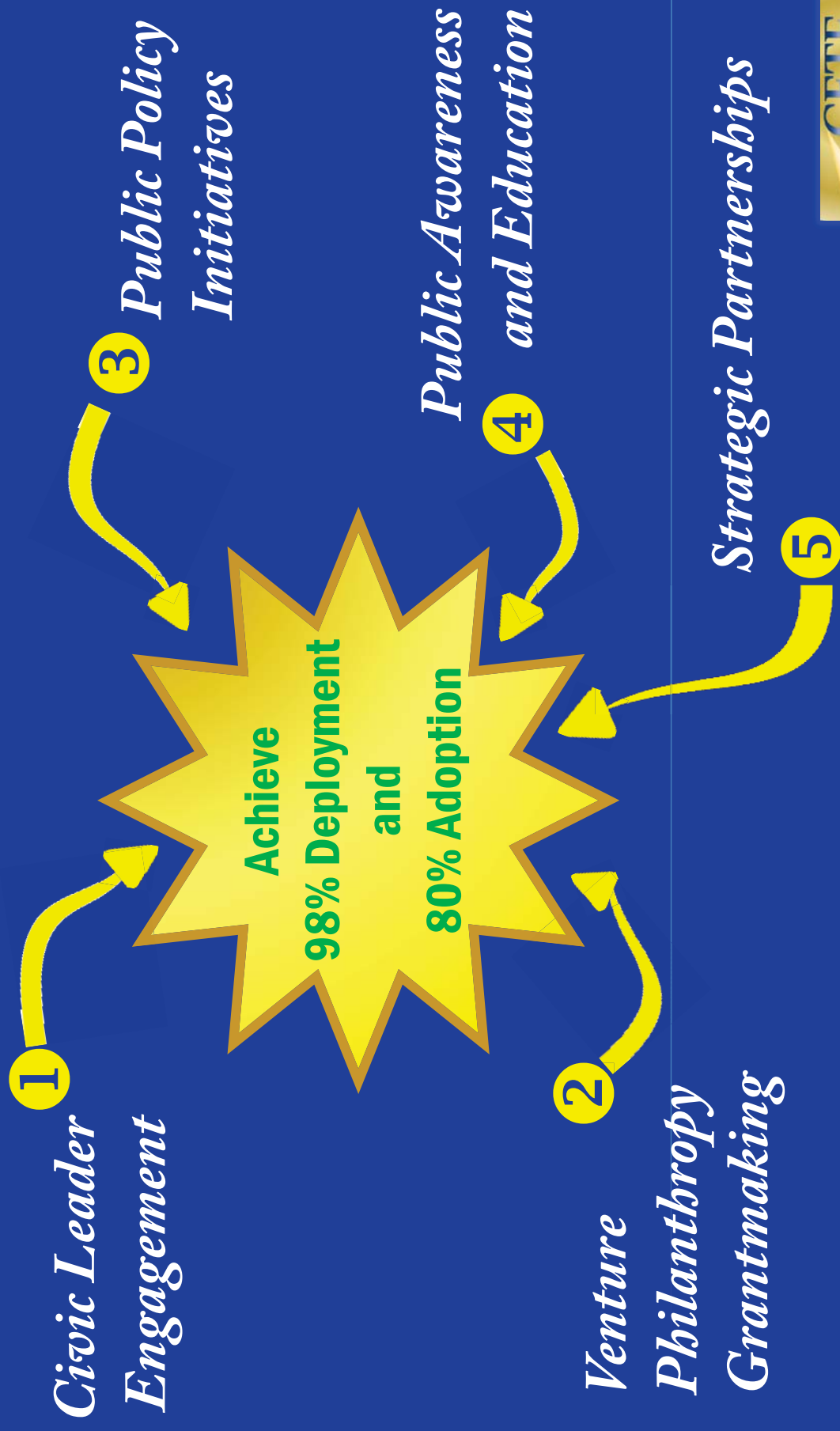
- Foster public-private partnerships to accelerate broadband deployment and adoption. There is no substitute for the innovation and efficiency of the private sector when engaged as sincere partners motivated to achieve explicit goals. Public-private partnerships can significantly leverage public resources for a higher return on investment to taxpayers and ratepayers.
 - Request the FCC and NTIA to engage broadband providers in helping design the “next generation” broadband adoption program to achieve explicit goals and outcomes.
 - Encourage providers to partner with EveryoneOn (formerly Connect-to-Compete) by setting adoption targets coupled with affordable broadband offers that can be made available without undermining profitability. There needs to be market competition for low-income consumers to become sustainable broadband customers.
 - Request the FCC to structure USF reforms for a Broadband Lifeline Rate Program and eRate to encourage and reward providers who partner with non-profit intermediaries (such as EveryoneOn) and trusted CBOs with a proven track record and align with state plans. Reimbursement and subsidies from the USF should reward public-private partnerships that drive to and achieve explicit broadband adoption goals.



CALIFORNIA BROADBAND ADOPTION October 2013

5 Overarching Strategies to Close the Digital Divide:

Achieve Optimal Impact and a Higher Return on Investment



Progress in Closing the Digital Divide in California

PPIC-CETF-Zero Divide 2013 Statewide Survey

Priority Communities	Internet Use				Broadband at Home			
	2008	2012	2013	2008	2012	2013	2013	2013
All Californians	70%	87%	86%	55%	73%			69%
Under \$40,000 AHI	49%	79%	77%	33%	60%			53%
Latinos	48%	78%	77%	34%	58%			52%
Blacks	82%	93%	91%	66%	74%			71%
With Disability	57%	76%	74%	36%	56%			56%
Los Angeles	61%	86%	86%	48%	69%			64%
Rural	63%		81%*	51%				69%*

* As of 2010. Note: Statewide adoption rate with mobile is 75%.



2013 Statewide Survey Results

Internet Use		2008	2009	2010	2011	2012	2013
California Populations							
All Californians		70%	76%	81%	84%	87%	86%
Blacks		82%	81%	82%	85%	93%	91%
Latinos		48%	53%	65%	70%	78%	77%
Under \$40,000 AHI		49%	58%	66%	72%	79%	77%
With Disability		57%	60%	68%	67%	76%	74%
Central Valley		71%	67%	78%	85%	88%	81%
San Francisco Bay Area		77%	86%	86%	89%	88%	92%
Los Angeles		61%	71%	78%	79%	86%	86%
Orange/San Diego		73%	81%	82%	89%	90%	89%
Inland Empire		70%	76%	81%	83%	84%	86%
Rural		63%	77%	81%			

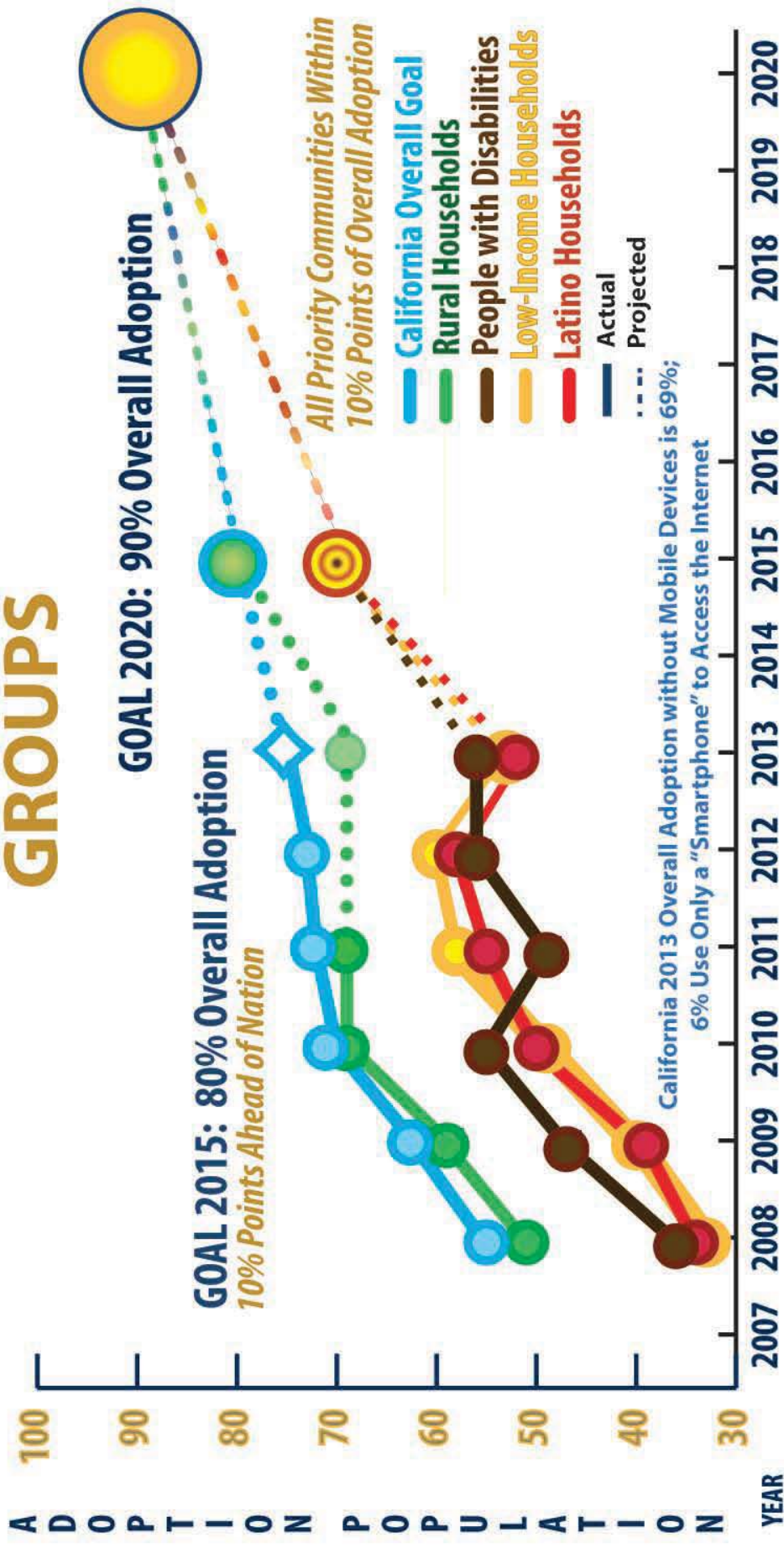
2013 Statewide Survey Results

Broadband at Home

California Populations	2008	2009	2010	2011	2012	2013
All Californians	55%	62%	70%	72%	73%	69%
Blacks	66%	62%	70%	74%	74%	71%
Latinos	34%	39%	50%	55%	58%	52%
Under \$40,000 AHI	33%	40%	49%	58%	60%	53%
With Disability	36%	47%	55%	49%	56%	56%
Central Valley	53%	51%	64%	70%	71%	60%
San Francisco Bay Area	65%	73%	79%	78%	78%	80%
Los Angeles	48%	58%	67%	68%	69%	64%
Orange/San Diego	58%	70%	75%	75%	78%	77%
Inland Empire	56%	60%	71%	66%	71%	68%
Rural	51%	59%	69%			

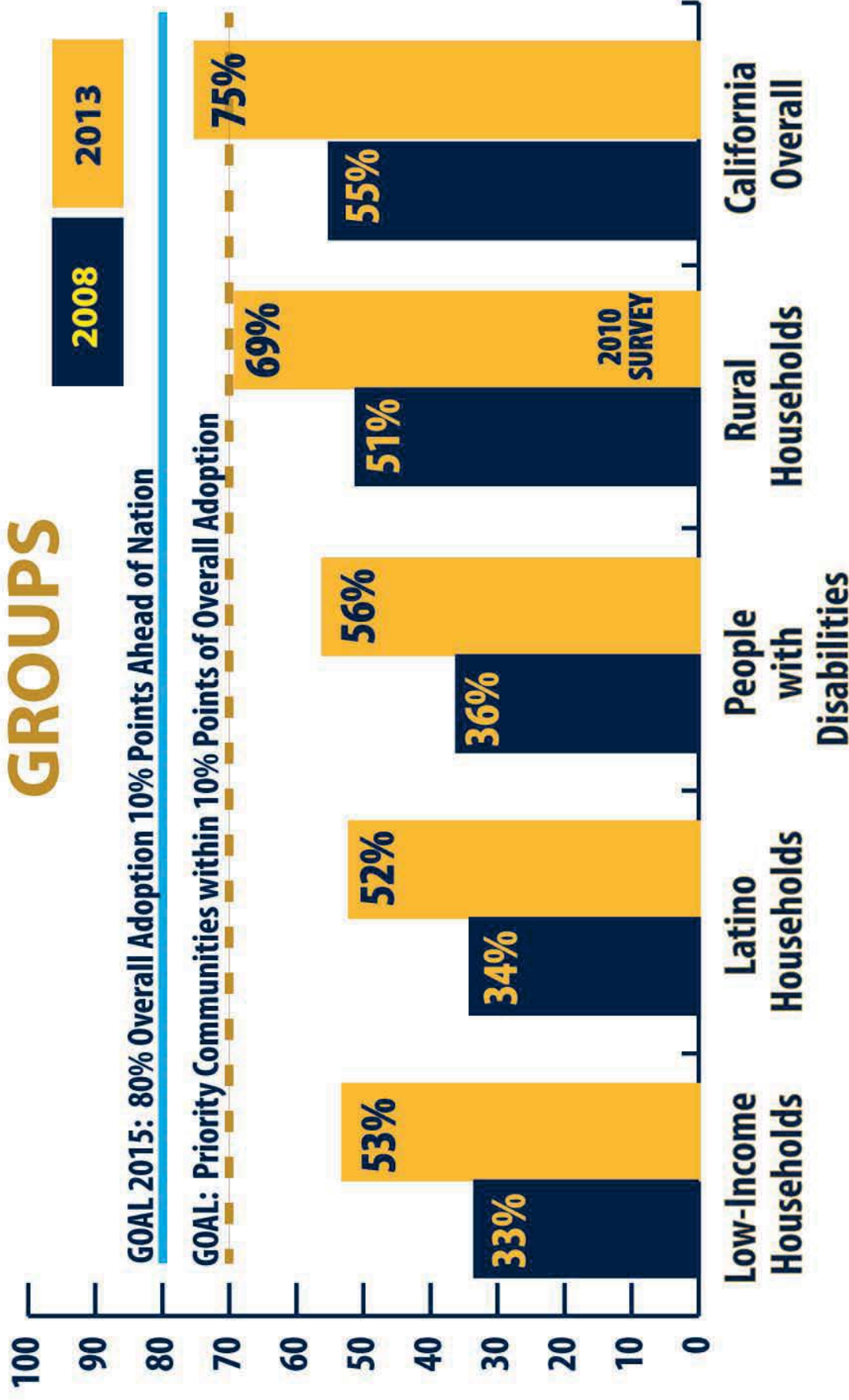
2013 Statewide Survey Results

CALIFORNIA BROADBAND ADOPTION GROUPS



2013 Statewide Survey Results

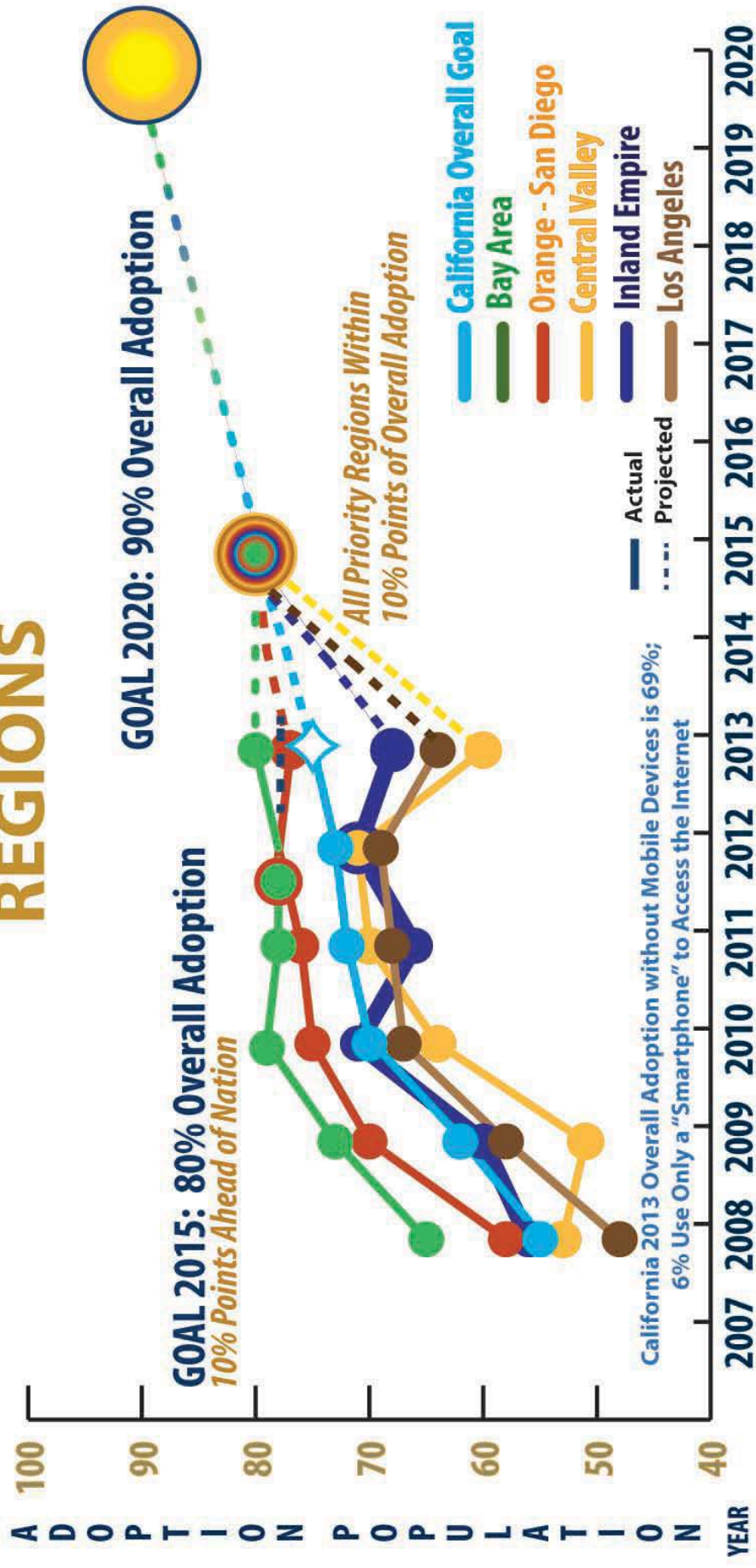
CALIFORNIA BROADBAND ADOPTION GROUPS



California 2013 Overall Adoption without Mobile Devices is 69%; 6% Use Only a "Smartphone" to Access the Internet.

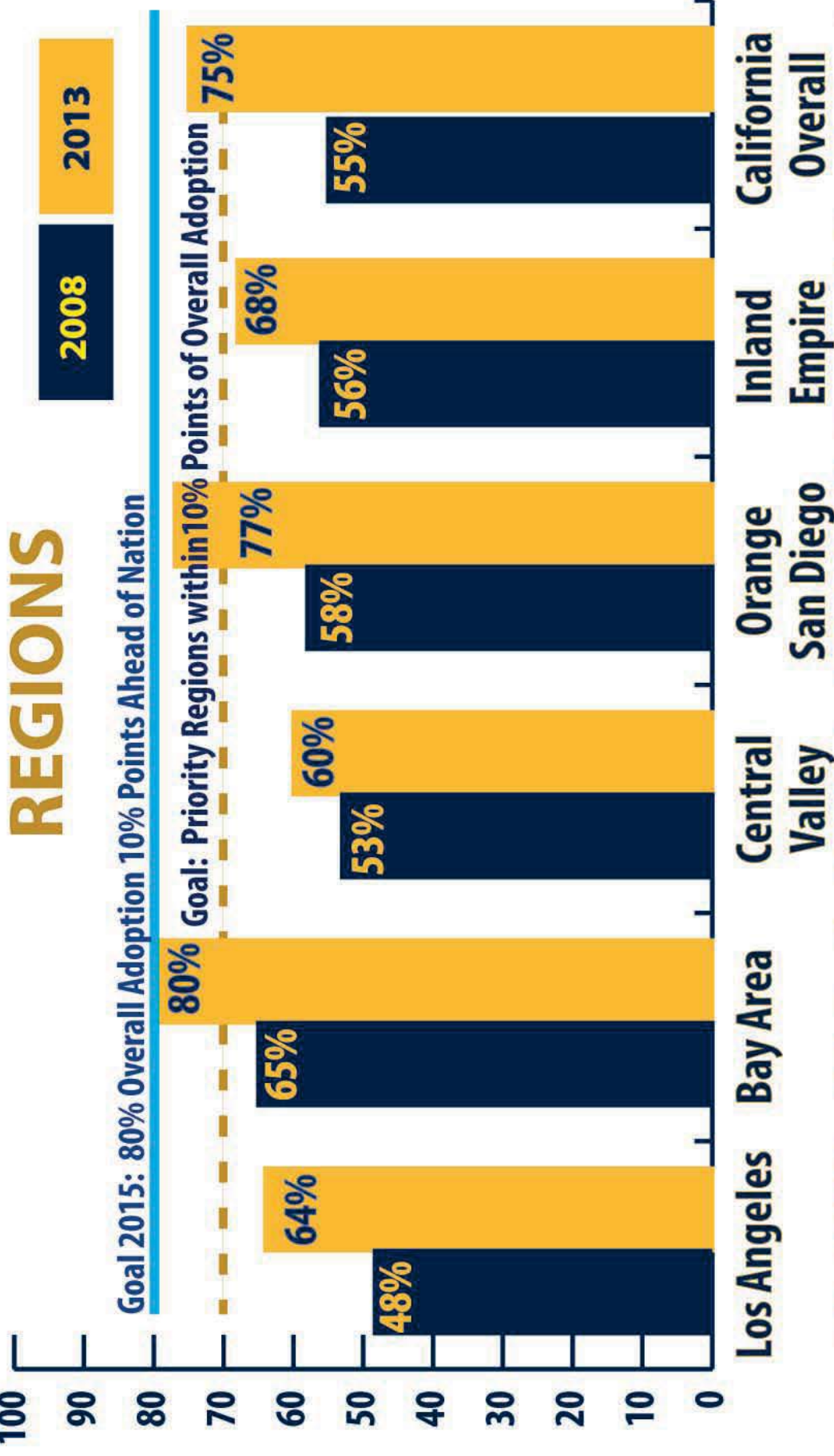
2013 Statewide Survey Results

CALIFORNIA BROADBAND ADOPTION REGIONS



2013 Statewide Survey Results

CALIFORNIA BROADBAND ADOPTION



California 2013 Overall Adoption without Mobile Devices is 69%; 6% Use Only a "Smartphone" to Access the Internet.

California and U.S. Broadband Adoption

California and National Broadband Adoption Rates



California Emerging Technology Fund

Projected Remaining Challenge to Reach Adoption Goals

California Households Using Broadband at Home	Connected as of 2008	Connected as of 2013	Remaining to Reach 70%	Remaining to Reach 80%
Total California 12,675,876 Households	6,862,968 (55%)	9,506,907 (75%)	Achieved	633,794
Low Income (Under \$40K) 4,753,454 Households	1,544,168 (33%)	2,519,331 (53%)	808,087	1,283,432
Latino 3,460,514 Households	1,173,762 (34%)	1,799,467 (52%)	622,893	878,944
Los Angeles 3,257,700 Households	1,559,796 (48%)	2,084,928 (64%)	195,462	521,232

- ❖ In 2008 there were 12,478,123 occupied households statewide.
- ❖ Statewide adoption rate of 75% includes 6% who have only a mobile connection. If mobile connections are not counted, then 1,394,347 more households would need to adopt to achieve 80% adoption rate.
- ❖ About half of the households that must adopt to reach 80% statewide will need to be low-income.



California Emerging Technology Fund

Remaining Percentage Points to Reach Goal

California Households Using Broadband at Home	% Connected as of 2008	% Connected as of 2010	Percentage Points Increase 2008-2013	% Connected as of 2013	Percentage Points Increase	Left to Reach Goal
Total California	55%	70%	+15	69% - 75%	-1 - +5	6 - 11
Low Income	33%	49%	+16	53%	+4	17
Latino	34%	50%	+16	52%	+2	18
Los Angeles	48%	67%	+19	64%	-3	6

- ❖ Statewide adoption rate of 75% includes 6% of mobile only connections. Other adopt rates do not include mobile connectivity (smart phones).
- ❖ Rates of adoption have slowed considerably from the double-digit increases between 2008 and 2010.
- ❖ The 80% adoption goal is not likely to be reached by 2015 unless there is a significant change in public policy to offer affordable broadband rate for low-income households coupled with funding for community partners.





**Follow-Up Submission to Testimony to the United States Senate
Senate Subcommittee on Communications, Technology and the Internet
“Broadband Adoption: The Next Mile”
November 11, 2013
Sunne Wright McPeak
President and CEO
California Emerging Technology Fund**

Purpose and Focus of Follow-Up Submission to Testimony

The purpose of this document is to provide additional information and clarification regarding the written testimony submitted by the California Emerging Technology Fund (CETF) and responses to questions for the Senate Subcommittee on Communications, Technology and the Internet hearing on “Broadband Adoption: The Next Mile” on October 29, 2013. This document addresses three major issues discussed during the hearing:

- Challenges of Increasing Broadband Adoption
- Policy Goals, Performance-Based Regulatory Framework, and Incentives for Partnerships
- Community Experiences with Industry Broadband Adoption Programs

Challenges of Increasing Broadband Adoption

Chairman Pryor and Ranking Member Wicker both eloquently described in their opening comments the challenges of increasing broadband adoption which must be addressed by formulating national policy and designing an effective strategy to close the Digital Divide. Those who remain off-line are largely remote rural residents without access and urban poor residents without digital literacy skills or the resources to afford market rate Internet service. (The data published by the Pew Charitable Trust regarding broadband adoption are discussed below.) Clearly, broadband access (infrastructure deployment) is “necessary” for broadband adoption, but it is not “sufficient” for the most disadvantaged residents—low-income families and people with disabilities. And, it is for these residents that broadband has the greatest potential to transform their lives and help them become productive citizens and contributing taxpayers for the benefit of the nation.

CETF summarized the challenges of broadband adoption in the written testimony based on extensive experience working with more than 80 community-based organizations (CBOs) in disadvantaged communities throughout California. Dr. John Horrigan summarizes the challenges as three-fold, which were set forth in the CETF testimony:

1. Cost
2. Relevance
3. Digital Literacy

CETF recommendations for action are anchored in the understanding that all three facets of the challenge must be addressed simultaneously in an integrated strategy to increase broadband adoption:

- There must be an affordable broadband subscription rate to address the cost challenge. Given the modest market penetration to date of voluntary efforts, it is likely that an Affordable Broadband Lifeline Rate Program at the national level will be pivotal to significantly increasing broadband adoption beyond current levels.
- Broadband adoption should be integrated into all existing federal programs to address the relevance challenge. It should be a part of all existing and future programs related to education, workforce preparation, healthcare, and housing, especially for disadvantaged and low-income populations. And, that policy directive from Congress to integrate broadband adoption does not require additional funding.
- Training in digital literacy with access to affordable computing devices needs to be provided by CBOs with a positive track record that can serve as the “trusted messengers and honest brokers” in a way that broadband companies alone are not able to do. And, digital literacy training is most effective when integrated into relevant services.

The Pew Charitable Trust data on broadband adoption needs to be interpreted through the “lens of reality” of on-the-ground experience with the benefit of listening to disadvantaged residents. Several focus groups commissioned by CETF with low-income people who don’t subscribe to broadband and who don’t have a computer in the home (all conducted in language and in culture) reveal that the vast majority of residents currently off-line want to have the benefits of high-speed Internet access (which generically is referred to as broadband and includes both wireline and wireless technologies).

The 2013 Pew Report on “Who’s Not Online and Why” finds that 85% of Americans do use email and the Internet overall, which tracks with an 86% Internet use rate in California, and that 15% are not online overall, with just 5% saying that “the Internet is not relevant to them”. Unfortunately, some industry voices repeat those figures as “34% of the 15%” (emphasizing the 34% in graphics) without doing the math to place in perspective that it is just 5%. Further, when anyone drills down on the 5% there is a discovery that many of these people are senior citizens who come to see the “relevance” when it is related to better healthcare monitoring in their home, which can offset follow-up clinical visits by as much as 40% (having a significant impact on quality as well as cost savings in healthcare). The majority of those not online, 58% of the 15% (or 9% of the population) cite digital literacy, lack of a computing device to connect to the Internet, and cost as issues. Thus, the Pew data confirm that increasing broadband adoption requires an integrated approach that tackles in a coherent strategy the three challenges of cost, relevance, and digital literacy.

Broadband adoption, however, is not just about increasing overall Internet use—it is about high-speed Internet access and use at home. That is the focus of the California goal to achieve at least 80% broadband adoption at home (with no single region or demographic group less than 70%). California today is at 75% home broadband adoption (including 6% mobile devices only) and is not likely to achieve the 80% goal without new federal policy and reform of the Universal Services Fund (USF) by the Federal Communications Commission (FCC) that address all three challenges to broadband adoption.

While these figures may suggest that there are just a few percentage points left to close the Digital Divide, it must be understood that they translate into lots of real people who are being left farther and farther behind in a Digital World—more than 633,000 families alone in California need to be reached to subscribe to broadband to achieve the 80% adoption goal.

Pew contends that a relatively small percentage of Americans lack any access. However, in every state there are rural communities—thousands and thousands across the country—that are being stifled without broadband access. Further, the infrastructure that does exist in many rural areas often is so slow as to be barely classified technically as “broadband” and certainly is inadequate for a vibrant 21st Century community. And, while percentages may seem small, the actual number of households totally unserved (and woefully underserved) need to be put in perspective: in California, there are at least 225,000 remaining unserved households to reach with broadband to achieve the state goal of 98% deployment. Fortunately, when broadband adoption is coordinated with deployment in California rural communities, then rural adoption rates quickly catch up to the statewide average.

In the written testimony, CETF delineated specific recommendations for the integration of broadband deployment and adoption into existing programs within federal departments. The U.S. Department of Transportation should have been included because deployment of broadband along with major federal transportation projects (surface and transit) in public rights-of-ways (coupled with a “Dig Once” policy) can greatly assist broadband deployment into unserved areas. Further, broadband is a “green strategy” because it enables “virtual trips” which reduce impacts on the environment and help relieve traffic congestion.

Policy Goals, Performance-Based Regulatory Framework, and Incentives for Partnerships

As Senator Wicker observed during the hearing, CETF strongly recommends that Congress set policy goals for broadband deployment and adoption along with a timetable and assignments of responsibility. Without a goal there is no accountability for performance. It is the first crucial step towards “rolling up our sleeves”, as Senator Ayotte proposed. In fact, a goal is the bedrock of a “performance-based” regulatory framework that invites and rewards private-sector innovation versus the conventional “command-and control” regulatory scheme that inhibits investment. However, the references during the hearing to a “light touch” in regulations cannot and should not mean the absence of either policy goals or performance accountability—the very foundation for common sense regulations that serve the public interest while embracing the strengths of the private sector. That is why it is important for Congress to set national broadband deployment and adoption goals, as Senator Rubio questioned the witness panel.

In this context, it is important to clarify my answer to Senator Klobuchar regarding “mandates” which in the CETF testimony refers to recommended actions by Congress to: (a) set policy goals for broadband deployment and adoption; (b) direct federal departments to integrate broadband deployment and adoption into existing programs; and (c) provide input to the FCC on USF reform (including design of an Affordable Broadband Lifeline Rate Program and modernization of E-rate). To the extent that Congress acts to establish federal policy, then that is a “mandate” for the Administration.

For example, CETF repeatedly recommended that Congress encourage and reward partnerships in meeting the broadband adoption goals—federal-state, public-private, and provider-community. Thus, in this sense, CETF recommends that Congress “mandate” the FCC to reform the USF to provide incentives for partnerships to broadband providers such that design of an Affordable Broadband Lifeline Rate Program and E-rate reform addresses all three challenges to adoption: cost, relevance, and digital literacy. Likewise, CETF recommends that broadband providers that receive subsidies from USF should be required to submit a transparent plan to the FCC with goals (including percentage of eligible participants to be reached) and a coherent set of activities to achieve the goals. Further, CETF recommends that priority funding and/or financial incentives be available to those broadband providers that submit a plan to partner with intermediaries (such as EveryoneOn) and CBOs with proven track records as “trusted messengers and honest brokers” and which incorporates relevance and digital literacy. While it would be voluntary on the part of each provider whether or not to participate in the Affordable Broadband Lifeline Rate Program, receipt of USF subsidies would be accompanied by these kinds of “requirements”—which some might call a “mandate”—but which are needed to ensure accountability and success.

Community Experience with Industry Broadband Adoption Programs

CETF strongly encourages public-private partnerships to leverage public investment and harness the innovation of the private sector. Such partnerships must be transparent, explicit about goals, and accountable for results. As stated during the hearing, CETF commends industry efforts, such as Comcast Internet Essentials (CIE) program, but observes that the results to date have been modest, with less than 10% of the eligible households actually participating. It is worth noting that Comcast executive David Cohen did clarify at a Washington Post forum last week (November 5, 2013) that his reference during the hearing to “1 million Americans” participating in CIE was a calculated projection of all persons in about 250,000 households that actually have signed up. In California, 25,739 households out of 313,805 eligible households, or only 8.2% of the prospective market, have signed up for CIE (according the last public release by Comcast on June 21, 2013). Other companies have done even less: according to EveryoneOn, Time Warner Cable operated their affordable broadband pilot for only 2 months (although the launch was highly-touted in media) and signed up just 1,235 households around 502 participating disadvantaged schools. To be sure, these companies know how to market and are successful when they are committed to a goal. They have not produced the hoped-for results because they have not been accountable to anyone for performance, have ignored the “lessons learned” from on-the-ground experience, and have invested too little in partnering with CBOs with a track record to integrate relevance and digital literacy into their broadband adoption programs.

Attached are letters from knowledgeable sources close to the community and consumer realities of these voluntary affordable broadband adoption programs that set forth the nature of the existing problems. Representatives in California of Comcast and other companies have been open to receiving this kind of input and have tried to respond to the extent of their authority; and some issues have been resolved, but enough problems persist to conclude that there must be substantive changes to the programs to increase market penetration and broadband adoption.

Conclusion

Closing the Digital Divide is an imperative for U.S. global competitiveness. The Senate Subcommittee hearing was a very good beginning to identify the challenges and formulate strategies to accelerate broadband adoption. It is essential that Congress act to establish policy goals that leverage existing resources, foster partnerships, and reward results. There is no substitute for Congressional leadership to empower and mobilize the nation's imagination, talent and innovation.

As was repeatedly said during the hearing, "there is no silver bullet" for broadband adoption, but as was stated in the CETF written testimony, "there is silver buckshot" in that there is a "critical mass" of actions required close the Digital Divide which must be infused in federal policy. As was discussed during the hearing, there are well-known, documented primary challenges to broadband adoption:

1. Cost
2. Relevance
3. Digital Literacy

Closing the Digital Divide and accelerating broadband adoption requires an affordable broadband rate for low-income families. As FCC Commission Mignon Clyburn has observed, "100 million American homes are without broadband and the #1 reason is affordability." Thus, there is a need to step up the voluntary efforts by broadband providers and establish a federal Affordable Broadband Lifeline Rate Program that is coupled with incentives for partnerships to integrate broadband into other relevant programs for disadvantaged residents that incorporate digital literacy training.

As a result of the Senate Subcommittee hearing, the Senators should take heart that it is entirely possible to succeed in closing the Digital Divide. Congressional leadership, focus and commitment make a huge difference in this quest.

Attachments

Letters from:

- 2-1-1/United Ways of California, Los Angeles
- Chicana/Latina Foundation, Burlingame
- Mission Economic Development Agency, San Francisco
- Office of Community & Economic Development, California State University, Fresno
- Santee Educational Complex, Los Angeles Unified School District, Los Angeles

November 11, 2013



The Honorable Mark Pryor
Chairman, Subcommittee Committee on Communications, Technology and the Internet
United States Senate
Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member, Subcommittee Committee on Communications, Technology and the Internet
United States Senate
Washington, D.C. 20510

Re: Hearing on Broadband Adoption: The Next Mile

Dear Chairman Pryor and Ranking Member Wicker:

My name is Lilian P. Coral, and I serve as the Director of 2-1-1 California. Under the fiscal sponsorship of the United Ways of California, 2-1-1 California is a statewide network of local 2-1-1 information and referral providers authorized by the California Public Utilities Commission and the Federal Communications Commission to use the 2-1-1 code as an easy-to-remember and universally recognizable number that would enable a critical connection between individuals and families in need and the appropriate community-based organizations and government agencies. 2-1-1 California's mission is to develop the statewide infrastructure and support necessary to ensure quality 2-1-1 services for everyone. In California, 2-1-1 is accessible in 30 counties servicing 93% of Californians.

I am writing this letter to add additional information to the record for the Broadband Adoption: The Next Mile hearing. We were fortunate to be recipients of an American Recovery and Reinvestment Act grant through the National Telecommunications and Information Administration to focus on Broadband Awareness and Adoption and between March 2010 and June 2013 2-1-1 California through its 2-1-1 partners:

- Provided outreach and education to 229,481 callers
- Screened and referred 59,775 callers to computer and Internet-related resources

As follow-up, 2-1-1 California through its 2-1-1 partners, conducted surveys and interviews with approximately 6% of these callers to find out whether they had participated in any computer/Internet related training classes, subscribed to broadband or received a free or low cost computer as a result of the referrals they received from 2-1-1. Based on the survey results, we estimate that:

- 7,478 households subscribed to broadband
- 4,318 adults participated in a training class
- 3,659 households received a computer
- 4,555 children were connected to the Internet

2-1-1 California

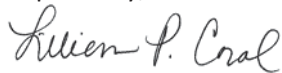
1107 Fair Oaks Ave #12, South Pasadena, CA, 91030 | Ph: (877) 355-2604 | Fax: (877) 908-8922

Unfortunately, the Digital Divide continues to disproportionately impact thousands of low-income families throughout California and especially in some of our major urban centers. Based on in-depth screening and referral protocols, callers told 2-1-1 Specialists that the main reason they did not have broadband at home was that they did not own a computer (41%). The second biggest reason was cost (36%).

We believe broadband adoption is an imperative for economic prosperity, quality of life and family self-sufficiency and support the recommendations put forth by the California Emerging Technology Fund for accelerating Broadband adoption. Our Data and experience indicate that the majority of people without broadband at home do want to adopt the technology and understand the value proposition.

We think it is particularly important that there be stronger partnerships that can help community-based organizations like our own, who are trusted messengers, connect those still unconnected to truly affordable broadband options that will ensure low-income families connect, and stay connected, to broadband, to access the richness of resources and education that the internet affords.

Respectfully,

A handwritten signature in cursive script that reads "Lilian P. Coral".

Lilian P. Coral
Director, 2-1-1 California



**BOARD OFFICERS*
AND DIRECTORS:**

Gloria Flares-Garcia*

Lupe Gallegos-Diaz*

Delfina Geiken*

Blanca Hernandez

Beatriz Leyva-Cutler*

Ludmyrna Lopez

Ortensia Lopez*

Marla X Martinez

Rosa Perez

Belinda Reyes

Olga Terrazas

Zamora

**Olga Talamante
Executive Director**

Chicana/Latina Foundation

1419 Burlingame Ave. Suite W-2, Burlingame, Ca. 94010

Phone 650-373-1083 Fax 650-373-1090

November 8, 2013

The Honorable Mark Pryor
Chairman, Subcommittee Committee on Communications, Technology and the Internet
United States Senate
Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member, Subcommittee Committee on Communications, Technology and the Internet
United States Senate
Washington, D.C. 20510

Re: Hearing on Broadband Adoption: The Next Mile

Dear Chairman Pryor and Ranking Member Wicker:

My name is Alicia Orozco, and I serve as Project Manager of the Get Latinos Connected project (GLC) of the Chicana Latina Foundation, based in the San Francisco Bay Area. The GLC project seeks to end the digital divide that keeps the Latino community from connecting to the internet, and thus fully participating in the 21st Century. We are a non-profit organization which promotes professional and leadership development of Latinas. The Foundation's mission is to empower Chicanas/Latinas through personal, educational, and professional advancement.

I am writing this letter to add additional information to the record for Broadband Adoption: The Next Mile hearing. We were fortunate to be recipients of an American Recovery and Reinvestment Act grant through the National Telecommunications and Information Administration to focus on Broadband Awareness and Adoption. With that project, were able to sign up 1,070 first-time internet users. That is 1,070 new Latino internet users. The majority of these homes have children who now enjoy access to the online world and who have improved their class work.

We strongly advocate for broadband at home and Digital Literacy training as described in the National Broadband Plan, and we are making the suggestions described in this letter with the goal of giving all Americans access to digital tools and skills to improve their lives.

While we find the Comcast Internet Essentials program to be helpful to some Bay Area families, there are several barriers that impede many more households from participating.

We recommend that:

Comcast extend its program from 2014 until 2017 and set adoption goals. As Comcast Executive Vice President David Cohen testified before your subcommittee, the company has “learned a lot over the first two years” of the three- year program. Currently, Internet Essentials is scheduled to end June 2014. From a California perspective, where nearly half of Latino households do not have access to high-speed Internet at home, this is not the time to halt the program. Comcast is the main cable provider in the San Francisco Bay Area. We also recommend that Comcast set national adoption targets as a percentage of eligible households, and similar targets in major markets, such as the San Francisco Bay Area. In addition to disclosing adoption goals, it would be very helpful for non-profits like ours if Comcast would share information about where they are targeting the broadband offer, including providing lists of schools where students are eligible for Comcast Internet Essentials. We have been asking for the list of auto-qualified schools since the program started and we’re still waiting for that list.

The online application is useless. We have yet to be able to actually use it. We’ve held Technology Fairs where we have set up computer banks so that they can actually sign up people for Internet Essentials, but have been unable to because the online application does not work. We keep getting bounced off.

We also have become aware of the fact that when a person calls Comcast to sign up for Internet Essentials, they are being asked how many children they have in the program. Then the Comcast agent chooses the oldest child to enroll in the program. This means the family will be “kicked out” of the program sooner, because the discount only lasts as long as the child is in school. So if an eligible family has a child in high school and another in elementary schools (both on the National Lunch program) by enrolling the high school student, the family loses several years of eligibility for Internet Essentials.

Comcast remove the 90-day requirement. Comcast will not allow low-income families who are already Internet subscribers, or have subscribed in the past 90 days, to switch to the cheaper Internet Essentials service. If a family has subscribed to the Internet as part of a Comcast bundled service, they must stop service for 90 days before they become eligible for the \$9.95 month Internet service.

Comcast increase support of local and regional digital literacy programs. Many of the families we serve need computer literacy training to take full advantages of their broadband connections. CLF has worked effectively with schools, faith-based communities, local employers, health clinics and job-training programs to incorporate digital literacy and workforce training. We would welcome additional commitments by Comcast to help fund essential training programs like these.

Comcast increase support of local and regional digital literacy programs. Many of the families we serve need computer literacy training to take full advantage of their broadband connections to the Internet. The Chicana/Latina Foundation has worked effectively with schools, churches, health clinics, job-training programs and social service providers to incorporate digital literacy and workforce training. We would welcome additional commitments by Comcast to help fund essential training programs like these.

Comcast expand the program to include low-income seniors, people with disabilities and veterans. Recent polling on home broadband use in California shows that seniors and people with disabilities adopt high-speed home Internet at significantly lower rates than other populations. Often homebound, these clients are among the most vulnerable we serve, and an affordable Internet connection would significantly improve their access to vital services and the quality of their lives.

Elected officials and policymakers should know that while Comcast has made improvements to its discounted broadband offer, the company should make Internet Essentials available beyond June 2014 and expand eligibility as described above if it desires to be a leader in closing the Digital Divide in California.

Respectfully,

A handwritten signature in black ink that reads "Alicia Orozco". The signature is fluid and cursive, with the first name "Alicia" being more prominent than the last name "Orozco".

Alicia Orozco
Project Manager
Get Latinos Connected
415-828-7653
alicia@chicanalatina.org
www.chicanalatina.org

The Honorable Mark Pryor
Chairman, Subcommittee Committee on Communications, Technology and the Internet
United States Senate
Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member, Subcommittee Committee on Communications, Technology and the Internet
United States Senate
Washington, D.C. 20510

Re: Hearing on Broadband Adoption: The Next Mile

My name is Luis Granados, and I serve as Executive Director of the Mission Economic Development Agency (MEDA), based in San Francisco. The Mission Economic Development Agency (MEDA) is a community-based, local economic development corporation located in the Mission District of San Francisco. For 40 years MEDA has worked to improve economic and social conditions in the neighborhood by stimulating investment, enhancing the business environment, and creating jobs for area residents, with an emphasis on the Latino community in San Francisco. MEDA engages the local community with homeownership counseling, foreclosure intervention, small business development services, financial education, free tax preparation, and technology training and workforce development.

I am writing this letter on behalf of MEDA to add additional information to the record for the Broadband Adoption: The Next Mile hearing. We were fortunate to be recipients of an American Recovery and Reinvestment Act grant through the National Telecommunications and Information Administration to focus on Access to Careers in Technology and, earlier this year the Department of Education granted MEDA a \$30 million Mission Promise Neighborhood Grant aimed at helping students at underperforming schools San Francisco.

We strongly advocate for broadband at home and digital literacy training as described in the National Broadband Plan, and we are making the suggestions described in this letter with the goal of giving all Americans access to digital tools and skills to improve their lives.

In our work with Comcast we have found the Internet Essentials program to offer high-quality, reliable broadband service to some of the people who need it most. Our clients who have subscribed are generally happy with the program. However, there are several barriers that impede many more households from participating.

We recommend that Comcast take the following steps to ensure that the maximum amount of eligible and needy families can benefit from Internet Essentials:

Extend Internet Essentials from 2014 until 2017. As Comcast Executive Vice President David Cohen testified recently before your subcommittee, the company has "learned a lot over the first two years" of the three-year program. Currently, Internet Essentials is scheduled to end

in June 2014. From a California perspective, where nearly half of Latino households do not have high-speed Internet access at home, Comcast should continue the program.

In addition, in the first years of the program Internet Essentials sign-ups were impacted as we worked with eligible families to overcome hurdles in the subscription process, challenges that resulted in damaged community confidence in the product. These hurdles included:

- *Clients receiving letters from Comcast saying that they had failed a credit check. Internet Essentials specifically advertised there would be no credit check.

- *The application process took up to 3 months – far too long for clients that are skeptical about the product in the first place and have other pressing demands on their budget.

- *Initial Internet Essentials customer service representatives suggested that Internet Essentials clients could pay \$150 deposit to avoid a credit check.

- *Families were charged \$50 by the technicians that installed their modem, even though Internet Essentials guarantees free installation.

Through advocacy with Comcast and the actions of regional staff, these issues have been addressed by Comcast. However, MEDA is concerned that these issues have prevented eligible and needy families from fully taking advantage of this benefit. Due to these early barriers MEDA believes Comcast should extend the Internet Essentials program until 2017.

Comcast increase support of community-based programs. If it weren't for community-based organizations helping clients learn about and subscribe to Internet Essentials, Comcast wouldn't even have the 8% penetration it is currently reporting among eligible families. These organizations also provide critical ongoing support to subscribers, including digital literacy training. At MEDA, we spend significant resources on these support activities. We would welcome additional commitments by Comcast to help fund essential programs like these.

Comcast expand the program to include low-income individuals. Even as government and other social services are more exclusively available online, the clients they are meant to serve adopt high-speed home Internet at significantly lower rates than other populations. Low-income households, people with disabilities and seniors are among the most vulnerable we serve, and an affordable Internet connection would significantly improve their access to vital services and the quality of their lives.

Elected officials and policymakers should know that while Comcast has made improvements to its discounted broadband offer, the company should offer Internet Essentials beyond June 2014 and expand eligibility as described above if it desires to truly play a leadership role in closing the Digital Divide and achievement gap in our state.

Respectfully,

A handwritten signature in black ink, appearing to read 'Luis Granados', with a stylized flourish at the end.

Luis Granados

The Honorable Mark Pryor
Chairman, Subcommittee Committee on Communications,
Technology and the Internet
United States Senate
Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member, Subcommittee Committee on Communications,
Technology and the Internet
United States Senate
Washington, D.C. 20510

Re: Hearing on Broadband Adoption: The Next Mile

Dear Chairman Pryor and Ranking Member Wicker:

I am writing on behalf of the Office of Community and Economic Development (OCED) at California State University, Fresno (Fresno State). Through our community-based programs, we and our partners annually help thousands of San Joaquin Valley (Valley) residents gain access to services vital to their lives, including high-speed Internet at home.

This letter is to provide input to the record for the Broadband Adoption: The Next Mile hearing. Specifically, we wish to comment on the disappointing experience we have had in trying to connect families to the Internet Essentials Program offered by Comcast. Also, we ask you to support this much-needed program by extending the program beyond the proposed June 2014 date.

Comcast is one of the largest broadband providers for rural areas of the San Joaquin Valley, one of the poorest regions of California. When first introduced, we welcomed Internet Essentials as an opportunity to connect our traditionally un-served population. However, based on the substantial hurdles our residents face when signing up for Internet Essentials, we find ourselves reluctant to support the program due to the long wait before customers can begin using the Internet at home.

The waiting period between the initial call to Internet Essentials and the application arriving in the mail is 8-12 weeks, if the letter comes at all. After submitting the application, another 2-4 weeks elapse before the equipment arrives. Many Valley residents do not have Social Security numbers and are therefore forced to drive long distances to verify identification since Comcast has closed many of its regional offices.

Leaders in the San Joaquin Valley have been pushing for online registration since the beginning of the Internet Essentials Program. Despite what Comcast says, the system is not working properly. The site is often unable to complete address eligibility searches and simply redirects the customer to the 1-855 number again. We understand that new systems need time to work out the bugs, but we have been trying to work with Comcast for many weeks to provide consumer feedback about the poor website operations, to no avail.

Office of Community & Economic Development

California State University, Fresno • Student Recreation Center
5010 North Woodrow Avenue Suite 200 M/S WC142 • Fresno, California 93740

Comcast does not effectively advertise Internet Essentials in our area, so our community partners use grassroots educational campaigns to let families know about the program. Comcast also does not provide timely data to tell us which schools are undersubscribed for Internet Essentials so our partners can make best use of their resources to target un-served families for adoption.

My greatest concern, with the program scheduled to end in June 2014, is that the discounted offer will only be available for new enrollments for a few more months, leaving many Valley residents unable to take advantage of this opportunity to connect to broadband at home.

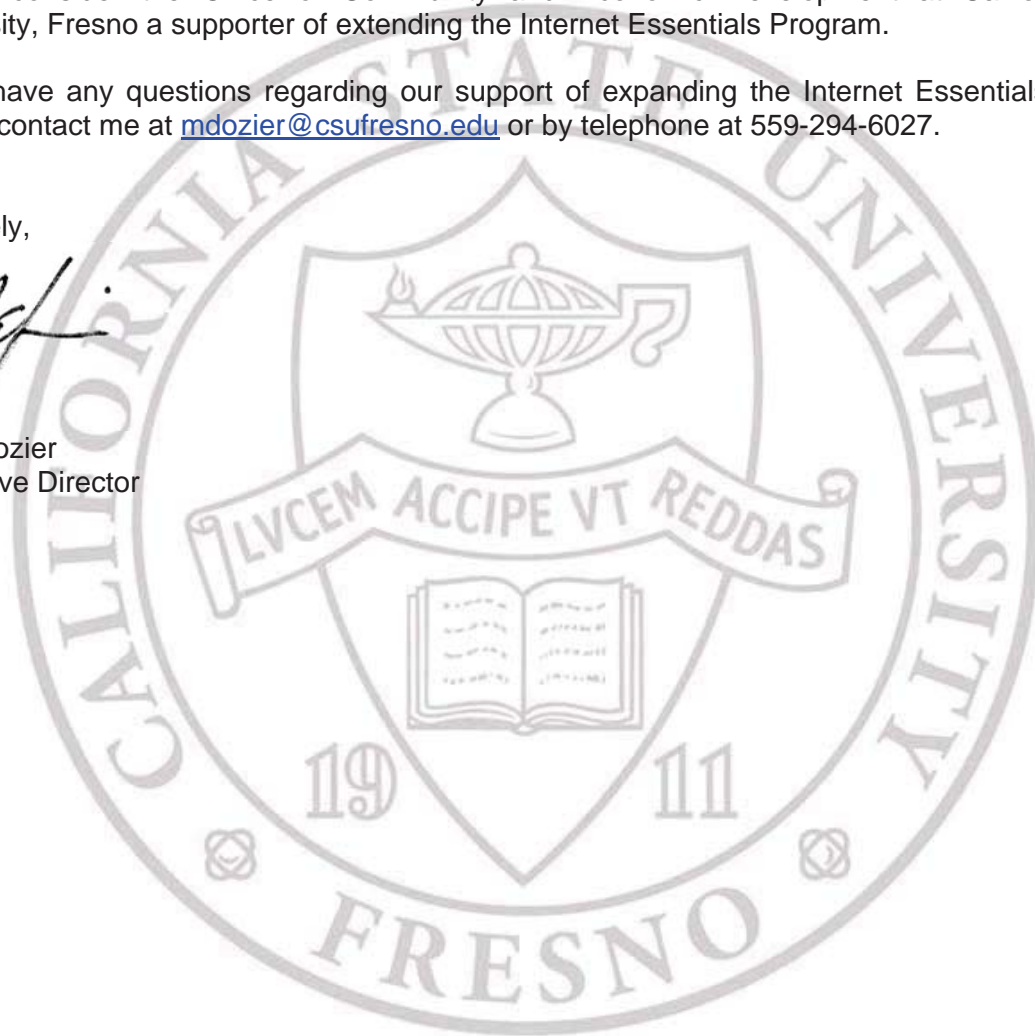
Please consider the Office of Community and Economic Development at California State University, Fresno a supporter of extending the Internet Essentials Program.

If you have any questions regarding our support of expanding the Internet Essentials Program please contact me at mdozier@csufresno.edu or by telephone at 559-294-6027.

Sincerely,



Mike Dozier
Executive Director





LOS ANGELES UNIFIED SCHOOL DISTRICT
INTENSIVE SUPPORT AND INNOVATION CENTER

Santee Education Complex

Home of the Falcons

1921 South Maple Avenue

Los Angeles, California 90011-1036

Telephone (213) 763-1000 Fax (213) 742-9883

John E. Deasey, Ph.D.
Superintendent of Schools

Marshall Tuck
CEO Partnership for LA Schools

Martin Gomez, Ph.D.
Principal

The Honorable Mark Pryor
Chairman, Subcommittee Committee on Communications, Technology and the Internet
United States Senate
Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member, Subcommittee Committee on Communications, Technology and the Internet
United States Senate
Washington, D.C. 20510

Re: Hearing on Broadband Adoption: The Next Mile

My name is Martin O. Gomez and I serve as Principal at Santee Education Complex based in Los Angeles. We serve 1,850 college bound students in the South L.A. community in which 100% of our students qualify for free and reduced lunch.

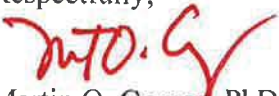
I am writing this letter on behalf of Santee Education Complex and our community to add additional information to the record for the Broadband Adoption: The Next Mile hearing. Unfortunately, the Digital Divide continues to disproportionately impact thousands of low-income students attending Los Angeles schools. Last year, several of those schools located in some of the most economically challenged areas in Los Angeles were invited to participate in a pilot program sponsored by Time Warner Cable (TWC), which according to the company's own estimates serves one quarter of California households.

With much national publicity, TWC announced that it would offer a low-cost broadband offer at \$9.95 for families with students participating in the National School Lunch program at 19 Los Angeles-area schools. This pilot was offered for only two months, from October 1 until November 30, 2012, and without visible outreach by TWC to promote the program. Many of us had hoped that the two-month pilot would offer valuable lessons on the enrollment process and marketing and customer service, which then would allow TWC to scale up the program to reach all students in the National School Lunch program. In fact, the pilot turned out to be a very short "limited time offer". According to the California Emerging Technology Fund, TWC enrolled just 1,200 families nationally in 500 schools.

Even more disappointing, TWC did not offer any explanation as to why they stopped the discount program completely while other cable providers in California saw the value of helping low-income families subscribe to broadband at home.

We think elected officials and policymakers should know that this is a missed opportunity for the largest cable provider in California to play a leadership role in closing the Digital Divide and achievement gap in our state.

Respectfully,


Martin O. Gomez, PhD

Instructional Leader at Santee Education Complex

See our Falcons SOAR at www.santeefalcons.org!



November 8, 2013

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: WC Docket No. 13–184

Dear Ms. Dortch:

The California Emerging Technology Fund respectfully submits this letter in response to the Federal Communications Commission Notice of Proposed Rulemaking to modernize the E-rate program, which supports broadband connectivity in schools and libraries.

Introduction

The California Emerging Technology Fund (CETF) was established at the direction of the California Public Utilities Commission (CPUC) in the orders approving the 2005 mergers of SBC-AT&T and Verizon-MCI. The successor companies agreed to provide a public benefit by contributing a total of \$60 million into this new non-profit foundation with the mission to close the Digital Divide in California. CETF became operational in 2007, working in partnership with the Governor and State Administration, Legislature, CPUC, local governments, and a network of more than 80 community-based organizations (CBOs) to systematically implement a Strategic Action Plan to tackle both broadband deployment and adoption challenges.

The Federal Communications Commission (Commission) should be saluted for leading the implementation of the National Broadband Plan and modernizing E-rate. CETF appreciates the opportunity to comment on this Notice of Proposed Rulemaking (NPRM). Additionally, we look forward to working in partnership with the Commission on important broadband initiatives, such as reforming E-rate.

CETF and our partners have broad and deep experience in California, working effectively with schools, libraries, health clinics, faith-based communities and job-training programs to

incorporate adoption and Digital Literacy. These efforts have helped boost home broadband adoption in California by 25% since 2008. Specifically, CETF and our partners have provided nearly 850,000 low-income individuals with basic Digital Literacy skills to use broadband technology and achieved nearly 250,000 new broadband adoptions by low-income households.

Success in closing the Digital Divide in California and across the nation requires state and federal collaboration to optimize broadband and other information technologies to deliver public services and integrate them into solutions to major problems to improve the quality of lives of all Americans. In a decisive step already taken by the Commission, the National Broadband Plan identifies a key goal of improving integration of broadband into programs offered across the spectrum of federal agencies.

Looking ahead, California is tying education funding to priority areas that require robust access to the Internet, including improving test scores and graduation rates, implementing the Common Core Standards, preparing students for careers and college, and increasing parent involvement and student engagement. This NPRM provides the Commission the opportunity to set policy that aligns with state priorities, the President's ConnectED Initiative targets and the National Broadband Plan goals.

Expanding the E-rate fund should be a priority while managing the pent-up demand to modernize. Federal policies need to drive increases in broadband adoption in low-income communities. Without this focus, too many Americans face being left behind in low-performing schools. Reforms to the Universal Service Fund (USF) more generally, and E-rate specifically, are vital tools to close the Digital Divide.

Overview of Response

California schools are at a critical juncture, and strategic E-rate reforms, in addition to other initiatives, can help California public schools get on the right trajectory to improve achievements of all six million students. For a state and a nation that excels at developing technology, the national goal should be nothing less than providing educators, students and parents with access to broadband to learn anytime, anyplace, and at any pace. E-rate cannot do it all; however it is an essential catalyst.

We make these comments with these three overarching principles in mind:

- Regulations should promote innovation and offer meaningful incentives for desired outcomes.

- Policymakers should support broadband policies that integrate high-speed broadband adoption across agencies and programs and model silo busting among government departments.
- E-rate program reforms should drive cost-effective outcomes and significant improvements, as the roles of schools and libraries are critical to meet the National Broadband Plan goal of connecting 90% of Americans by 2020 to broadband at home.

We urge the Commission to build on the success of the E-rate program and adopt new policies and reforms to:

- Modernize E-rate by focusing on broadband capacity as a key to upgrading the nation's classrooms and libraries, especially in low-performing schools and neighborhoods that will increase broadband adoption at home.
- Expand E-rate funding eligibility by allowing wireless technology as a Priority 1 service and issuing proposed conditions for deeper discounts to low-performing schools, recognizing that most are located in communities with low home adoption rates and learning is 24/7.
- Take a new approach to meet federal goals for technology access and adoption by coordinating funding decisions that will produce the best outcomes, such as strategically aligning E-rate awards with U.S. Department of Education teacher training grants for employing technology in the classroom.

Modernize the E-rate Program: Improving Capacity in Low-Performing Schools and Neighborhoods is Key to Increasing Broadband Adoption

New capacity goals should be designed to meet demand now and in the future. It is critical to reach the maximum number of students and educators, and provide the necessary broadband capacity for use of state-of-the-art technologies that will continue to require more bandwidth. We support the goal of the Obama Administration, as described in the ConnectED Initiative, to connect 99% of U.S. students to high speed Internet, at 1 GB per 1,000 students/educators, in five years.

Infrastructure investment is now more critical than ever as schools embrace digital learning. Internet access at school is a growing priority with the adoption of 1-to-1 devices in the classroom, implementation of the new common core standards, which will require students to test on computers at the same time, and increased use of personalized learning that often requires students to connect to the Internet to do assignments. Additionally, more than 80% of job openings today require online applications, and those jobs almost always require at least a basic working knowledge of digital tools and software applications. This E-rate decision will affect how prepared students and library patrons are to enter the workforce and compete in the global economy over the next decade.

The Commission should avoid settling for one-size-fits-all technology funding solutions that would surely disadvantage schools and libraries in rural communities, though capacity and speed goals are important to build robust learning environments. At the same time, the Commission must set clear expectations for results at the school level. The Commission should explore new ways to promote accountability and transparency by requiring results to be reported in time frames useful to the federal, state and local education stakeholders, with clear metrics applicable to rural and urban areas that account for the different geographies and costs faced by each E-rate applicant.

Expand E-rate Funding Eligibility: Students and Educators Need Access 24/7

The goal should be nothing less than providing our students with broadband service to learn anytime, anyplace, and at any pace. “Who’s done with their homework by 4 p.m. when schools shut down networks?,” asks Eduardo Gonzalez, a community and economic development project manager working to connect low-income San Joaquin Valley residents to broadband at home.

The Commission has recognized that students need broadband access when their schools’ doors close for the day, and in a few cases has allowed waivers so schools can provide wireless community “hot spots” to the neighborhood. This allows students to extend their learning day and parents to become more engaged in their child’s education. Community “hot spots” are a critical and cost-effective component to close the Digital Divide. The Commission should make it policy to allow E-rate schools and libraries in low-income neighborhoods with low-performing schools that have instituted programs to close both the Achievement Gap and Digital Divide to use a portion of their capacity for neighborhood “hot spots.”

Learning today takes place 24/7. The kind of scenario described below illustrates the potential for policymakers to encourage linking E-rate funding decisions with ConnectED priorities to help teachers integrate technology in the classroom. Technology adoption only works well when all the funding pieces are in place.

CETF sponsors the School2Home program, which aims to close both the Achievement Gap and Digital Divide by integrating computing and broadband technologies into teaching and learning processes. Experience shows that many teachers, students and parents still lack basic computer literacy skills, and as curricula moves increasingly online, there is legitimate fear that the Digital Divide will widen. To remedy the situation, CETF is working with school districts in Los Angeles, Oakland, and Riverside to promote broadband use in the classroom and at home. One of the hallmarks of the program is that students may not take home their laptops until teachers are fully trained and their parents have participated in a minimum six hours of training at the school.

School2Home results demonstrate a direct correlation between students taking devices home and their families signing up for broadband service. An independent evaluator earlier this year surveyed Spanish- and English-speaking parents participating in the training and found broadband adoption increased by 58% among Spanish-speaking parents and 12% among parents who primarily speak English. National policy to promote home broadband adoption should encourage parent participation; it works best when parents have the training and support to benefit from broadband at home.

While recognizing that traditional criteria for prioritizing E-rate decisions must be based primarily on income and geography to reach the overall goals of the program, the Commission is encouraged to set other conditions for funding, when applicable. The goal is to promote technology use in schools located in communities that are not on track to meet National Broadband Plan adoption goals by 2020, and where community and education leaders have a coherent plan to address the shortfall.

We are recommending conditions that, if planned and implemented by school leaders, could lead to a deeper E-rate discount or other incentives for these schools. Among the possible conditions schools could demonstrate in their E-rate application:

- Establishment of a method to measure how technology improves academic achievement.
- Development of parental computer training sessions, which could be paid for by third parties or the Digital Literacy grants under consideration in the Lifeline proceeding.
- Implementation of professional development and mentor programs for teachers to integrate technology into the classroom, which can be funded through U.S. Department of Education grants or other sources.
- Coordination with federal initiatives working on neighborhood transformation, such as Choice Neighborhood, Promise Neighborhood, Lifeline Outreach and Education, that include plans to improve student education utilizing broadcast community “hot spots” from neighborhood schools and libraries.

Take a New Approach to Technology Access and Adoption by Coordinating Funding Decisions to Produce the Best Outcomes

“A hundred million American homes are without broadband, and the number one reason is affordability,” FCC Commissioner Mignon Clyburn said at a recent gathering examining solutions to close the Digital Divide.

This situation is particularly troubling in states such as California, where nearly half of Latino households do not have high-speed Internet access at home. CETF and 80 community-based partners are collaborating effectively with schools, churches, health clinics, financial literacy and job-training programs to incorporate Digital Literacy and workforce training. We see firsthand how effective public and private investment can be when it is coordinated around the same overall outcomes – transforming people’s lives so they can contribute to society and the tax base.

For that reason, CETF is working with partners in Promise Neighborhood initiatives, funded by the U.S. Department of Education, in Latino-dominant neighborhoods of Los Angeles and San Francisco to integrate broadband into the daily activities of residents by promoting affordable broadband service at home, low-cost computers and Digital Literacy training. From our experience, families are more likely to subscribe to broadband at home if they understand how it is relevant to them.

We encourage the Commission to examine how to coordinate E-rate funding within the Universal Service Fund and other government neighborhood investment programs from the U.S. Department of Education, U.S. Department of Housing and Urban Development, and U.S. Department of Labor. At this time, we do not recommend using E-rate funds for teacher professional development or parent training. The Commission is currently considering allowing Lifeline funds to be used for basic Digital Literacy training, which would be a good opportunity to complement E-rate for activities such as parent training and outreach.

The Commission should consider structuring E-rate reforms to encourage and reward providers that achieve measurable results working with non-profit intermediaries (such as EveryoneOn) and trusted community-based organizations with proven track records.

In conclusion, we want to emphasize that access to affordable high-speed Internet for all American households is essential for students to truly succeed in the Digital Age. Surveys show that low-income residents without broadband at home typically live near low-performing schools and that affordable broadband is required to increase adoption among these low-income households. This is likely to require an affordable broadband Lifeline program, given that voluntary efforts to date have had modest market penetration for a variety of reasons, with the most extensive program reaching less than 10% of eligible households nationally.

We applaud the Commission for its leadership in modernizing E-rate and implementing the National Broadband Plan. The opportunity is now for setting the course for significant and necessary near-term progress. Broadband access affects the success of every discipline and business; therefore the commitment to an infrastructure for the nation's digital future must be real and vigilant.

Respectfully Submitted,



Sunne Wright McPeak
President and CEO
California Emerging Technology Fund
5 Third Street, Suite 320
San Francisco, CA 94103-3206
415-744-2383